

Senate Republicans 2004 Legislative Package

Type of Measure	Internal Tracking #	Description of Measure	Notes	Status
SR/SCR	SR SMO 04-001.doc/SCR SMO 04-001.doc	Jones Act; Exemption	Requests Congress to Exempt Hawaii, Alaska, Guam, and Puerto Rico from the Jones Act. The Jones Act (P.L. 66-261), also known as the Merchant Marine Act of 1920, requires that all goods transported by water between U. S. ports be carried on U.S.-flag ships, constructed in the United States, owned by U. S. citizens, and crewed wholly by U.S. citizens. The Jones Act prevents foreign cruise ships from transporting passengers between U.S. ports and restricts access to U.S. rivers and canals. Allowing this exemption in the federal law would end the current monopoly on shipping between Hawaii and the Mainland. The total of Jones Act shipping charges for Hawaii is about \$750 million annually. If this were reduced by only a third, it would save Hawaii consumers \$250 million, or \$870 for a family of four.	Ready for Caucus Signature
SR/SCR	SR SMO 04-002.doc/SCR SMO 04-002.doc	Passenger Services Act; Repeal	Requests Congress to Repeal the Passenger Services Act. The federal Passenger Services Act (PSA) of 1886 prohibits a foreign-owned vessel from picking up passengers at one American port and dropping them at another. The PSA was initially enacted to protect the interests of United States shipbuilders and also to protect a United State merchant marine fleet in the event of war. Advances in technology have made the defense justification no longer applicable. The repeal of the PSA would mean foreign cruise ships would no longer be restricted from making transpacific cruises, thus significantly boosting Hawaii's cruise industry. According to the Cruise America Coalition, repealing the PSA could be worth an additional \$1 billion to the coastal communities of the United States.	Ready for Caucus Signature
SB	SB 416	GET; Exemption	Eliminates the 4.16% tax on food purchases and medical services. Does not apply to restaurants or prescription drugs. \$182 million: \$100 million from food and \$82 million from medical services	Carryover Measure; Current Referral is WAM
SB	SB 1398	Income Tax; Standard Deductions	Raises state standard deductions to about half the federal level. Raises joint standard deduction from \$1900 to \$4200 over three years. Raises head of household standard deduction from \$1650 to \$3700 over three years. Raises single standard deduction from \$1500 to \$2500 over three years. Year 1: \$10 million; Year 2 \$15 million; \$20 million in subsequent years	Carryover Measure; Current Referral is WAM
SB	SB SMO 04-004.doc	Gas Cap; Repeal	Repeals Act 77, Session Laws of Hawaii, 2002, commonly referred to as the gasoline price cap. The gas cap is detrimental to the business climate in Hawaii, thus perpetuating the stereotype that Hawaii is an unfriendly place to do business. Experts in the August 2003 Stillwater Report have said that price caps would not have any significant benefit for Hawaii's consumers. According to the report, the price cap would increase consumer costs. The Federal Trade Commission in its testimony before the Hawaii State Legislature in January 2003 stated, "Historical experience demonstrates that price controls tend to create shortages, reduce quality, and generate other inefficiencies."	Ready for Caucus Signature

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SB	SB SMO 04-003-1.doc	Divorcement; Repeal	Repeals the gasoline divorcement law, which imposes restrictions and manufacturers and jobbers (i.e. wholesaler of petroleum products) in operating service stations and imposing lease rent controls. The most comprehensive of the published economic studies, conducted independently by a senior economist with the United States Federal Trade Commission found that Hawaii's divorcement and anti-encroachment laws tend to increase retail prices by an average of 2.6 cents per gallon. The current regulations under the divorcement law are ineffective in protecting dealers from competition by wholesale suppliers in lucrative locations. Nevada's 16 year old divorcement law was recently amended to start allowing refiners to operate their stations again. In Maryland, the Department of Fiscal Services found that gas prices went up as a result of divorcement.	Ready for Caucus Signature
SB	SB LRB 04-386.doc	Special Education; Scholarship Program	Creates a new subpart in HRS 302A that establishes a scholarship to a private school of choice for students K-12 with disabilities, provided that an individual education plan has been written for the aforementioned student. Allows a parent of a public school student with a disability who is dissatisfied with the student's progress to request and receive a scholarship for the child to enroll in and attend a private school provided that (1) the student had spent the prior school year at a public school, (2) the parent has obtained acceptance for admission of the student to a private school that is eligible for the scholarship program, and (3) the parent has notified the superintendent of the request for a scholarship (via written or electronic record) at least 60 days prior to the date of the first scholarship payment. Provides that the maximum scholarship for an eligible student will be a calculated amount equal to the per pupil allocation found in the new century charter schools funding (§302A-1185) multiplied by the appropriate support weight for the educational program that would have been provided to the student in the public school where the student was assigned, based on the student's placement and level of service. Exempts the state from any liability that could potentially arise based on the award or use of a scholarship.	Ready for Caucus Signature
SB	SB LRB 04-0573.doc	Prepaid Health Care Act	Creates an "exemption" from the Prepaid Health Care Act for businesses with fewer than 15 employees. Creates a new section under the Act, which allows small businesses to provide the medical coverage required under the 1974 version of the Prepaid Health Care Act. Thus, keeping the ERISA exemption intact. Allows small business owners more flexibility in the extent of the coverage offered to employees. Provides incentives for small businesses to hire employees to work more than a 19-hour work week.	Ready for Caucus Signature
SB	SB SMO 04-006.doc	Medical Malpractice; Economic Damages; Reform	Redefines economic damages relating to medical malpractice cases. Amends the maximum award for noneconomic damages from \$375,000 to \$250,000.	Ready for Caucus Signature
SB	SB SMO 04-002.doc	Medical Malpractice; Arbitration	Requires medical malpractice lawsuits be submitted to arbitration, instead of through the court system. (Except for review of arbitration cases as provided by Hawaii law.) Limits non-economic awards in medical tort actions to \$250,000. Limits the statute of limitations for medical tort actions, to within three years of the date of the injury or within one year of discovery of the claim by the plaintiff. Redefines "Health care provider" to include a broader group of medical professionals.	Ready for Caucus Signature

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Type of Measure	Internal Tracking #	Description of Measure	Notes	Status
SB	SB SMO 04-015.doc	Emergency and Budget Reserve Fund	Increases the majority needed to appropriate moneys out of the Emergency and Budget Reserve Fund from two-thirds to three-fourths. Requires all departments or programs receiving moneys from the reserve fund to submit a report detailing the amount expended, a description of the program receiving funds, and measured outcomes.	Ready for Caucus Signature
SB	SB LRB 04-537.doc	Fiscal Notes; Appropriations	All bills appropriating money would be required to show amount of appropriation up-front and in totality. Fiscal notes would be separate from bill, but attached, and easily recognized and understood. Taxpayers would learn what each bill would cost them. Individual legislators' could have their "spending" tracked.	Ready for Caucus Signature
SB	SB LRB 04-398.doc (Land and air)/SB LRB 04-0397.doc (ground)	PUC; Transportation	Removes all ground and water transportation from PUC oversight. Repeals both the motor and water carrier acts.	Ready for Caucus Signature
SB	SB 1399	Long Term Care; Tax Credit	Allows individual taxpayers to claim a long-term care tax credit on their Hawaii state income taxes. Creates a ten percent tax credit of insurance premium paid in 2004. Provides a tax credit for a portion of insurance premium paid to cover members of taxpayers immediate family. Encourages individuals to purchase long-term care insurance.	In conference committee; carryover measure
SB	SB SMO 04-017.doc (bank franchise tax)/SB SMO 04-019.doc (Corporate income tax credit subsidy replacement)	Corporate Income Tax Credits; Repeal	(1) Repeals all corporate income tax credits. (2) Repeals the corporate income tax. (3) Reduces the bank franchise tax from 7.92% to 1.52% to compensate the banks for the repeal of the corporate income tax. (Banks are exempt from the GET and the corporate income tax and pay the bank franchise tax in lieu of those two taxes.) (4) Appropriates money to replace energy and conservation tax credits.	(1) and (2) are in LRB. (3) and (4) are ready for Caucus Signature
SB	SB SMO 04-014.doc	Mandatory Minimum Fine Schedule for Running Red Lights	Amends the traffic violations section of HRS pertaining to running red lights to include a mandatory minimum penalty specific to that section of HRS.	Ready for Caucus Signature
SB	SB SMO 04-007.doc	Repeated excessive speeding of a vehicle; penalties	Defines and creates a penalty for persons found speeding 20 mph over the speed limit two times in a three year period.	Ready for Caucus Signature
SB	SB SMO 04-012-2.doc	Motor Vehicle Safety Responsibility; Mandatory Fine	Imposes a mandatory fine of \$500 for owners of automobiles that fail to carry proper insurance.	Ready for Caucus Signature
SB	SB SMO 04-020.doc	Binding Arbitration; Collective Bargaining; Reform	Repeals binding arbitration to ease the burden on Hawaii's taxpayers.	Ready for Caucus Signature